GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:871
ANSWERED ON:22.11.2007
SELLING OF GOVERNMENT SHARES IN PUBLIC SECTOR EXPLORATION COMPANY
Chaure Shri Bapu Hari;Dhotre Shri Sanjay Shamrao;Gawali Smt. Bhavana Pundlikrao

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government has decided and given clearance for selling the Government shares in Public Sector exploration company Oil India Limited and also given clearance for issue of its IPOs; and

(b) if so, the details thereof?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI MURLI DEOR

(a) : Yes, Sir.

(b) : The Government has accorded approval to the proposal of Oil India Limited (OIL) for fresh equity issue of 10% of its post-issue paid up capital through Initial Public Offer (IPO) to enable the Company to get listed on the Stock Exchanges. Approval has also been accorded for the issue of additional 1% of its post-issue paid up capital to the employees of OIL. In addition, it has also been decided to divest 10% of OIL's pre-issue paid-up capital in favour of the three Oil Marketing Companies (OMCs) viz, IOC, HPCL & BPCL in the ratio of 2:1:1 respectively. The divestment in favour of OMCs would not only strengthen existing synergies but would also help them raise resources by disposing these shares in the open market at an opportune time to tide over their under −recoveries. The proceeds of divestment would accrue to Government for meeting the needs of social sector programmes and revivable CPSEs.